

No.F.1/1/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
6th February, 2023.

Office Memorandum

Subject: Vivad Se Vishwas I - Relief for MSMEs

Government has been getting many references from Micro, Small and Medium Enterprises (MSMEs) regarding difficulties being faced by them in the last two years due to COVID 19 pandemic. The Government had provided certain benefits to the industry (including MSMEs) in Government contracts in the past.

2 In order to further support MSMEs, it has been decided to provide relief in all contracts for procurement of Goods and Services, entered into by any Ministry/ Department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Public Sector Financial Institution etc with MSMEs, which meet the following criteria:

- (i) The contractor/ supplier should be registered as a Medium, Small or Micro Enterprise with Ministry of MSME, as on 31.03.2022.
- (ii) The original delivery period/ completion period was between 19.02.2020 and 31.03.2022.

3. For the MSMEs which meet the specified criteria, the following reliefs shall be provided:

- (i) 95% of the performance security forfeited from such firms shall be refunded.
- (ii) 95% of the Bid security (Earnest Money Deposit), if any, forfeited from MSME firms in tenders opened between 19.02.2020 and 31.03.2022 shall be refunded.
- (iii) 95% of the Liquidated Damages (LD) deducted from such firms shall also be refunded. LD so refunded shall not exceed 95% of the performance security stipulated in the contract.
- (iv) In case firm has been debarred only due to default in execution of such contracts, such debarment shall also be revoked, by issuing an appropriate order by the procuring entity.

However, in case a firm has been ignored for placement of any contract due to debarment in the interim period (i.e. date of debarment and the date of revocation under this order), no claim shall be entertained.

- (v) No interest shall be paid on such refunded amount.

4. Government e-Marketplace (GeM) shall provide an online portal for the purpose implementation of this order. Broad functionality of the portal shall be as follows:

Step 1: GeM shall provide functionality to MSME Vendors to register on the portal through its authorized personnel.

Step 2: The registered contractor shall list out the applicable contracts on the portal. The list of the procuring entities shall be available only through drop down menu, which should be changed only with the approval of DoE. The details of the dispute should contain atleast following details: contract number, contracting authority, paying authority, Deducted/ forfeited amount.

Step 3: GeM portal shall intimate through email to nodal officers of each procuring entity to verify the claim of the MSME vendor.

Step 4: The nodal officer of the procuring entity shall after due diligence and refund of due amount as per this order shall update the portal with the amount, date and transaction details of the payment.

Step 5: Reports to track pendency in each procuring entity shall be provided by GeM.

5. The date of commencement of the scheme shall be notified separately.

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06/02/23
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To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities under their administrative control.
2. Secretary, Department of Public Enterprises with a request to reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to reiterate these orders in respect to public sector financial institutions.
4. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.
5. CEO/ GeM with a request to ensure implementation of this order on GeM.